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May 16, 2003

To: Select County Superintendents of Schools, County Auditors, and County Treasurers

From: Janet Sterling, Director
School Fiscal Services Division

Subject: Notice of the Recertified Special Purpose Apportionment: Pupil Transportation (Special Purpose), School Improvement Program, and Economic Impact Aid, Fiscal Year 2002-03

This apportionment, in the amount of \$1,178,960,936, is made from funds provided in the 2002 Budget Act (Chapter 379, Statutes of 2002), and Assembly Bill (AB) 2781 (Chapter 1167, Statutes of 2002). These funds support the Pupil Transportation (Special Purpose), the School Improvement Program (SIP), and Economic Impact Aid (EIA) programs.

Local educational agencies (LEAs) received 100 percent of the total annual entitlement for SIP with the March 2003 payment. This recertification reflects changes to the entitlement for districts in six counties due to revised entitlement data.

Payments to LEAs for EIA follow the traditional special purpose formula of 10 percent monthly for the ten months of September 2002 through June 2003. This recertification changes the May and June 2003 payments for LEAs in two counties. Payments through May equal 90 percent of the annual entitlement, with the final payment in June 2003.

LEAs received 100 percent of the Pupil Transportation entitlement with the March 2003 payment. This recertification does not impact the previously calculated Transportation entitlements.

The Summary of Apportionment and the Monthly Payment Schedule show subtotals for the SIP, EIA and Transportation funds. The State Controller will issue one warrant for the total payment of this apportionment.

Notice, Summary, and Exhibits Enclosed

- A. Notice of the Recertified Special Purpose, Pupil Transportation (Special Purpose), School Improvement Program, and Economic Impact Aid Apportionments, fiscal year 2002-03
- B. Schedules of Apportionments-Computer Printout Tabulations
 - 1. School Improvement Program - Exhibit II
 - 2. Economic Impact Aid – Exhibit III
- C. Summary of Apportionments by County
- D. Monthly Payment Schedule

Program Notes

Pupil Transportation – There has been no change to the annual entitlement previously certified.

School Improvement Program (SIP) – The SIP apportionment for May has been recertified for six counties—Madera, Sacramento, Sonoma, Trinity, Ventura, and Yolo. For all other counties there has been no change to the entitlement previously certified. A separate regular apportionment for the SIP amounts deferred until fiscal year 2003-04 will be prepared in July 2003.

In Exhibit II, the amounts in the column entitled “Amount for Each Operating District” should be credited to the account of school districts indicated in the first column. The list of member school districts in cooperatives (second column) and the amount of entitlements for these school districts (third column) are information for use by the county superintendents for school districts involved in cooperative programs.

There is no restriction on the amount of School Improvement Program funds that may be carried over from year to year. For standardized account code structure (SACS) coding, use Resource Codes 7260, School Improvement Program-Grades K to 6, and 7265, School Improvement Program Grades 7 to 12 (Optional Code). All grades K-12 use Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, please use Income Account Code 8344, School Improvement Program.

Economic Impact Aid (EIA) – The EIA apportionment has been recertified for Madera County and Sacramento County. For all other counties, there has been no change to the funds previously certified.

In Exhibit III, the amounts in the column entitled “Amount for Each Operating District or Local Educational Agency” are to be credited to the account of school districts or LEAs indicated in the first column.

There is no restriction on the amount of EIA funds that may be carried over. For SACS coding, use Resource Code 7090, Economic Impact Aid, and Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, use Income Account Code 8346, Economic Impact Aid.

Supplemental Grants Roll-In – No Supplemental Grant funding is provided in 2002-03. As such, no allocations will be made in 2002-03 for Supplemental Grants which contribute to the SIP and EIA and Transportation program selections made pursuant to *Education Code* Section 54761.2. However, AB 2781, Section 50 (a)(4) appropriates \$241,739,000 for a special supplemental grant apportionment in July 2003.

Transportation, SIP and EIA for Charter Schools – Beginning in fiscal year 2002-03, all charter schools, except for certain districts with all schools converting to charter status, are being funded through the charter school block grant funding model pursuant to *Education Code* Section 47633 et seq., which includes categorical block grant funds in lieu of various categorical programs, including SIP and EIA. These block grant funds are allocated as part of the revenue limit Principal Apportionment process. Charter enrollment and average daily attendance will be excluded from district totals when computing the 2002-03 entitlements for SIP and EIA. For purposes of Pupil Transportation, however, *Education Code* Section 47612 deems a charter school to be a school district. As such, to establish base transportation funding for a charter school, the district must determine its cost to transport the charter school students previously served by the district. This will establish the separate transportation funding base for the charter school and result in a corresponding reduction to the district's allowance.

More Information/Questions

County offices of education should notify LEAs in their county of the information included in this apportionment. In addition, this apportionment letter will be posted on the California Department of Education Web site at <<http://www.cde.ca.gov/fiscal/categorical>>. General questions concerning this apportionment may be directed to Ross Valentine (916) 327-4405 or by e-mail at rvalenti@cde.ca.gov. For specific program areas, please contact the School Fiscal Services Division staff as follows:

<u>Program</u>	<u>Contact</u>	<u>Area Code (916)</u>	<u>E-Mail Address</u>
Pupil Transportation	Leslie McCage	324-4537	lmccage@cde.ca.gov
School Improvement	Julie Brucklacher	327-4406	jbruckla@cde.ca.gov
Economic Impact Aid	Ross Valentine	327-4405	rvalenti@cde.ca.gov

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Enclosures